

## ***CHINESE NATIONALISM AND ITALIAN FASCISM: A DECADE OF POLITICAL AND ECONOMIC COOPERATION (1928 – 1937) \****

by Orazio Coco

### *1. Relations between Italy and China before 1928*

At the end of the First World War, relations between the Kingdom of Italy and the Republic of China remained confined in the context of modest economic interests. In Italy, only a few intellectuals and religious missionaries could be considered experts in Chinese culture and language. Italy had obtained, after the signing of the Boxer Protocol (7 September 1901),<sup>1</sup> the concession of Tientsin,<sup>2</sup> but only a small number of Italian residents lived permanently in the city, at that time occupied by the Western Powers.<sup>3</sup> For a long time the concession was a community standing in anonymity, with minimal involvement in local businesses. This standing stood in stark contrast to other international collectives that, with great opportunism and commitment, had laid the foundations for a long-standing social and economic presence that contributed decisively to the beginnings of China's industrialisation.

Nothing changed this situation until the Washington Naval Conference in 1921, which was called to discuss arms control among nations. Through this conference, China finally obtained the return of Shandong province from the Japanese military, in exchange for opening its markets to international trade. With the support of Great Britain and the United States, a bilateral agreement between China and Japan was signed on 1 December 1921, just before the treaty of the Nine Powers (Washington, 6 February 1922).<sup>4</sup> Among the signatories was the Kingdom of

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\* O. Coco, *Nazionalismo Cinese e Fascismo Italiano, un decennio di cooperazione politica ed economica (1928-1937)*, «Dimensioni e Problemi della Ricerca Storica» v.1, Carrocci editore & Sapienza Università di Roma, 2017, pp. 185-214. This essay is the translated English version edited by the author.

<sup>1</sup> Concluding act of the Boxer uprising and consequence of the siege of the Legations in Beijing with the intervention of the armies of the eight nations at the command of British general Alfred Gaselee. Beijing was then occupied by the same armies for about a year under the guidance of the German field marshal Alfred Ludwig Heinrich Karl Graf von Waldersee (1832-1904). The Protocol signed on September 7, 1901 forced imperial China to pay heavy sanctions, including the settlement of indemnities recognized to each foreign nation represented in the Legations. About the Boxer uprising and the signing of the Protocol see C. Tan, *The Boxer Catastrophe*, Columbia University, New York, 1955; V. Purcell, *The Boxer uprising: a background study*, Cambridge, Cambridge University Press, 1963 and among the most recent publications P. Cohen, *History in Three Keys. The Boxers as Event, Experience and Myth*, New York, Columbia University Press, 1997 and L. Xiang, *The Origin of the Boxer War*, London, Routledge, 2003.

<sup>2</sup> The agreement was signed on June 7, 1902 for Italy by Count Giovanni Gallina. About the history of the Italian concession V. Fileti, *La concessione italiana di Tien-tsin*, Genoa, Barabino and Graeve, 1921 and Cesari Cesare, *La concessione italiana di Tien-tsin*, Rome, Fascist Colonial Institute, 1937.

<sup>3</sup> The census conducted through the Italian consulate in Tientsin in 1931 revealed the presence of 392 Italians, of whom 331 soldiers, living in the concession of Tientsin, at the time of the highest density of Italian citizens in China. Altogether about 800 Italians resided in China. Records kept at the historical archive of the Italian Ministry of Foreign Affairs, Political and General Affairs (from now MAE DGAP), China archive (1931-1945), folder 3, document signed by consul Luigi Neyrone dated 24 April 1931.

<sup>4</sup> China did not sign the Peace Treaty of Versailles (June 28, 1919) at the end of the First World War to protest

Italy. During the debate over the treaty in the Italian house of the representatives, Benito Mussolini supported ratification. In his speech the Duce explained that, while he did not believe the promises of peace from these kinds of international conferences, it did offer the world a slight chance of peace, and for that reason the agreement deserved to be supported.<sup>5</sup> His speech made no mention of solidarity with China, implying that the situation in the Far East was, for Italy, still a matter of little political interest. The Washington agreement recognised the territorial and administrative integrity of China, obtained the Chinese government's acceptance of the open-door policy,<sup>6</sup> and represented, from an economic point of view, an opportunity for Italian companies to find new markets.

At the beginning of 1927, the Kingdom of Italy and the Republic of China began to renegotiate the trade agreements signed on 18 October 1866.<sup>7</sup> China's nationalist government, prompted by the desire to free the country from the suffocating colonial presence imposed by the 'unequal treaties'<sup>8</sup> (of which the 1866 Italian agreement was considered a legacy), at first unilaterally terminated the treaty. However, after strong pressure from the Italian government, China finally agreed to negotiate a new bilateral treaty, this time based on fair and reciprocal terms.<sup>9</sup> On 27 November 1928, the fascist government of Italy and the nationalist Republic of China signed the Treaty of Amity and Commerce.<sup>10</sup> The agreement was the beginning of a new era of political and economic relations between the two countries. With this agreement, Italy recognised the principle of tariff autonomy with China and accepted the abolition of the right of extraterritoriality,<sup>11</sup> subject to the approval by the Powers that signed the Washington Treaty. Italy was also among the first countries to recognise those foundations of sovereignty and self-

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the decision to assign the province of Shandong to the Japanese administration. About the issue concerning Shandong and the Washington Conference, see B. Elleman, *Wilson and China, revised history of the Shandong Question*, New York, M.E. Sharpe, 2002 and G. Samarani and L. De Giorgi, *Lontane, vicine. Le relazioni tra Italia e Cina nel Novecento*, Rome, Carocci Editore, 2011, p. 58.

<sup>5</sup> Benito Mussolini's speech to the House of Representatives on February 6, 1923, available on the website of the Italian Senate <http://storia.camera.it/regno/lavori/leg26/sed194.pdf>.

<sup>6</sup> Open door policy is a concept of foreign policy applied to the international trade. In the case of China, it defined the strategy primarily supported by the United States and Great Britain, which offered free trade opportunities with each country on equal basis, leaving, as in China's case, the right to independently apply custom tariffs, but without discrimination or special privileges. It is important to recall that after signing the Boxers Protocol, the international Powers also exercised and administered, together with the Chinese authorities, the control of the country's customs revenues.

<sup>7</sup> The Treaty in 1866 was the first signed by the Kingdom of Italy and the Empire of China. The treaty of Friendship and Commerce was stipulated in Shanghai on October 18, 1866 and it was signed by the Italian mission commander, Vittorio Arminjon, who arrived in China with the ship Magenta. About the journey V. Arminjon, *Il Giappone ed il viaggio della corvetta Magenta nel 1866*, Genoa, R.I. Sordo-Muti, 1869 and *La Cina e la missione italiana del 1866*, Florence, 1885.

<sup>8</sup> Bilateral agreements signed with the colonial Powers, often drafted and signed with the implicit threat of the use of military force and identified by the name of unequal treaties (不平等条约 *bù píngděng tiáoyuē*) also see Hughes H.R., *The Invasion of China by the Western World*, London, Adam & Charles Black, 1937; W. Tung, *China and the Foreign Powers: The Impact and Reaction to the Unequal Treaties*, New York, Oceana Publ. Dobbs Ferry, 1970 and D.Wang, *China Unequal Treaties*, London, Lexington Books, 2005.

<sup>9</sup> Also see U. Bassi, *Italy and China*, Modena, Bassi e Nipoti, 1929, p. 47, which also reports the diplomatic correspondence of July 11, 1928.

<sup>10</sup> Signed by the Ambassador Daniele Varè and the Chinese Minister Wang Zhengting, published in Italian Gazette n.134 of 10 June 1929. The full text is also reported and commented on in U. Bassi, *Italy and China*, p. 59.

<sup>11</sup> The customs tariff autonomy and the extraterritoriality issues characterized the policy implemented in China by the colonial Powers. The right of extraterritoriality was granted to all citizens of the foreign residents in international concessions and remained valid for some states until 1943. D.Wang, *China Unequal Treaties*, London, Lexington Books, 2005, and W. Tung, *China and the Foreign Powers: the impact and the reaction to the unequal Treaties*, New York, Oceana publ. Dobbs Ferry, 1970.

determination, which China in those years had promoted with intense diplomatic activity, both at the bilateral level and at the discussion tables with the main international bodies. In return, Italy obtained the right to free movement of its citizens in China. With this Agreement, as of 1 January 1930 all Italian citizens were subject to the jurisdiction of China, but in return would receive the right to reside, trade and possess title to property, even outside of the territories protected by the treaties.<sup>12</sup>

The long negotiations over the agreement not only occupied the attention of the politicians, but also of the Italian public. Commenting on the debate, Professor Ugo Bassi, in those years a firm supporter of a bond between the two nations, said:

So in the future, we must aim for the Chinese relation to become more effective, and we must look for the friendship of that government—which is overcoming the current state of profound crisis—that we will succeed in achieving and which will be very easy, because Italy—it is worth repeating —has not wakened deep hatreds in China, like other nations, avid for territories, avid for supremacy. The true friendship of China, and not of this or that party, will enable us to fight with good fortune the commercial invasion of other nations that only tend to exploit that territory without developing it.<sup>13</sup>

The process of abolishing the extraterritoriality privilege for foreign nationals began in January 1930, but it was delayed by the diplomatic obstruction of other international powers. These legations were worried about the consequences to their own communities in China, all of which were larger than the Italian one.<sup>14</sup> Despite the difficulties in implementing the measure, it helped open a dialogue over other mutual interests related to the development of both nations' economies, as well as fostering international co-operation. Indeed, China's recognition among the nations of the world was one of the main objectives of the Nationalist government's foreign policy.<sup>15</sup>

## 2. Chiang Kai-shek and Nationalism in China

The nationalist government had ruled China since 1927, under the leadership of general Chiang Kai-shek (蔣介石 *Jiǎng Jièshí*, 1887–1975).<sup>16</sup> The Generalissimo, as he was called at home and abroad, was a military leader, committed to introducing discipline and organisation in government as well as the army. Chiang recognised the political and economic limits of his government, and for this reason he did not hesitate to seek the advice of international experts. Unlike other totalitarian leaders of the time, Chiang was not a man with pathological

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<sup>12</sup> Also called Treaty Ports. They were the locations where foreigners were allowed by the Chinese authorities conducting trading activities since the First Opium War (1839-1842). They became the legitimate ground for negotiations to obtain exclusive rights, to build and operate infrastructure (new urban settlements, ports, railways), exploiting mineral resources and exercise territorial jurisdiction in strategic areas, without any reciprocity towards China. About this topic D. N. Belfield, *The Treaty Ports of China and Japan: A Complete Guide to the Open Ports of Those Countries, together with Peking, Yedo, Hong Kong and Macao*, Cambridge University Press, 2012.

<sup>13</sup> U. Bassi's lesson at the University of Bologna held on April 26, 1927 p. 34.

<sup>14</sup> Diplomatic correspondence is kept at the MAE DGAP, China archive (1931-1945), folder 5. Including the report of the Consulate of Shanghai, dated March 10, 1931, signed by Galeazzo Ciano and the telegraph n.219253 dated 29 May 1931 by the General Director for Foreign Affairs to the Beijing Legation, signed by Mr. Fani.

<sup>15</sup> The Republic of China was also a member of the Society of Nations since July 16, 1920.

<sup>16</sup> Chiang Kai-shek (1887-1975) began his career alongside Sun Yat-sen becoming commander of the Whampoa military academy. About the political life of the Generalissimo, see A. Young, *China's Nation Building Effort (1927-1937)*, Stanford University Press 1971, p. 12ss. and E. Lloyd, *The Abortive Revolution*, Harvard University Press, Cambridge Massachusetts, 1990, pp. 140-180.

megalomania, but he was definitely a soldier with self-discipline and strong opinions.<sup>17</sup> The Nationalist government was hostile to Western imperialism and devoted its energies primarily to building the country's political unity in order to restore security and pride in the nation. Chiang considered himself the heir of Sun Yat-sen, the founder of the new nationalist party (国民党, *Guómíndǎng*) and the father of modern China. Although Chiang sought to continue Sun's ambitious national project, he lacked the political charisma of his mentor.

Chiang was impressed by the energy of fascist ideology, especially in the economic field, and he wanted to learn about its principles and methods. He considered its application in China as a solution to the country's economic issues. The Generalissimo understood the obstacles to importing foreign ideas that had no connection with the culture of his people. Although he was fascinated by the transformative ability of fascism, he also realised that the ideology must be adapted to Chinese traditionalism, which had its roots in the classical philosophy of Confucianism, the model that inspired the powerful Middle Kingdom.<sup>18</sup> The close connection between Chinese nationalism and European fascism<sup>19</sup> was also related in some respects with Sun's thoughts.<sup>20</sup> These ideological similarities contributed to a more rapid diffusion of the political and economic vision of fascism. The word 'fascism' entered the vocabulary of republican China in the early 1930s (法西斯主义, *Fàxī sī zhǔ yì*),<sup>21</sup> while the international propaganda carried out by the Italian government became more intense.<sup>22</sup>

In the early 1930s Mussolini and fascism were at the height of international regard. Articles about Italy and its leader also appeared in China, particularly those that celebrated the economic achievements of Italy. Italy's regime was the first authoritarian government to emerge in post-war Europe,<sup>23</sup> and Chiang drew inspiration from it without, however, neglecting to build ties with similar regimes in Germany and Japan.

The Italian fascist and the Chinese nationalist governments had a common hostility towards communism. On this topic the two governments found a common cause, and this facilitated further dialogue on other aspects of mutual interest. Contact between the two governments began when Chiang became President of China in 1927, which had not been possible in previous years. In fact, in contrast to the Italian experience and in line with the political strategy pursued by Sun in China, from the very beginning the nationalist government sought the co-operation of the country's various political ideologies, including Marxism, with the sole and indispensable purpose of unifying the nation. In that context, Sun believed that it was possible to form an alliance with Soviet Russia, which he admired for its political enthusiasm and

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<sup>17</sup> Chiang's *China's Destiny*, published in 1943, explains the purpose of his political and economic mission as a continuation of Dr. Sun's project, with the aim of transforming China in an independent country, strong and with dignity equal as for other international Powers. Chiang's ambitions were therefore confined within the limits of nationalism and China's territory. See J. Taylor, *The Generalissimo: Chiang Kai-Shek and the Struggle for Modern China*, Cambridge, MA, Harvard University Press, 2009.

<sup>18</sup> In an article written by F. Wakeman, the author examines the period of nationalism and defines the experience as "Confucian Fascism". F. Wakeman, *A Revisionist View of the Nanjing Decade: Confucian Fascism* «The China Quarterly» n. 150, June 1997, pp. 395-432.

<sup>19</sup> Founded by Sun Yat-sen in 1919 under the name of Zhōngguó Guómíndǎng 中国 国民党.

<sup>20</sup> About this topic, M.H. Chang, *Fascism and Developmental Nationalism*, Berkeley, University of California, 1985 p. 27.

<sup>21</sup> D. Chung, *Elitist Fascism*, Aldershot, Ashgate Publishing Ltd, 2000 p. 74.

<sup>22</sup> About the topic of Fascism in China W. Kirby, *Images and Realities of Chinese Fascism*, Stein U. Larsen (edited by) *Fascism Outside Europe: The European Impulse Against Domestic Conditions in the Diffusion of Global Fascism*, New York, Columbia University Press, 2001, pp. 233-268.

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revolutionary vigor.<sup>24</sup> In the early years of the Republic, intellectuals and students of all political views committed themselves to the nation, but with the death of Sun in 1925, these different political currents inevitably parted. By 1927,<sup>25</sup> only the most intransigent wing, mainly supported by the army, continued to back Chiang. The Generalissimo continued to oppose all the communist-inspired factions until December 1936,<sup>26</sup> when the military situation against Japan made it necessary to co-operate with his political rivals.

The political leaders of the nationalist government began a radical transformation, to such an extent that modern historians regard the period between 1927 and 1936 as the phase of fascist ideology in China.<sup>27</sup> Chinese nationalism and Italian fascism shared similar attitudes. Echoing the Italian experience, Chiang encouraged the establishment of the Blue Shirts Society (藍衣社, *Lán yī shè*),<sup>28</sup> also known as the Practice Society of the Three Principles of the People (三民主義, *Sānmín Zhǔyì*).<sup>29</sup> The Blue Shirts took on the role of defenders of the nationalist party and were an obvious copy of the organisations established in Italy and Germany.<sup>30</sup> The choice of blue was symbolic, as it identified with the Han Dynasty while blue and white were the colors of the Guómíndǎng.<sup>31</sup> The movement supported Chiang's party line, acknowledging the General as having the qualities to lead the country, and called upon its members to show obedience in accordance with the Confucian principle of respect for the authority. In a speech directed to the Blue Shirts, the Generalissimo gave his views on fascism:

What China needs today is not an 'ism' that discusses what kind of ideal future China will have, but a method that will save China at the present moment [...] Fascism is a stimulant for a declining society [...] Can Fascism save China? We answer, yes. Fascism is what China most needs.<sup>32</sup>

After the establishment of the nationalist government, the Blue Shirts became an instrument of repressing political resistance within the country. Many of its members were army veterans. They operated outside the legal system and often used beatings and torture to silence opponents or extort confessions. Just like Mussolini's para-military Fasci di Combattimento (also known as the Black Shirts, established in 1919), the Blue Shirts were anti-liberal and anti-communist. However, they were opposed to both left and right ideologies, and therefore generally apolitical

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<sup>24</sup> As an evidence of the first Chinese nationalism's political attitude, E. Lloyd recalls that Mikhail Borodin led the Soviet mission to China at the request of Sun Yat-sen himself and gave a political organization to the Guómíndǎng party according to the model adopted by the Russian Communist Party (E. Lloyd, *The Abortive Revolution* [1990], p. 3).

<sup>25</sup> The most violent episode of repression was occurred in Shanghai on April 12, 1927, from which began the conflict with the communist factions in the country.

<sup>26</sup> On 24 December 1936, Zhōngguó Guómíndǎng (nationalist party) and Zhōngguó Gòngchǎndǎng (Communist Party) united forces against the Japanese invasion.

<sup>27</sup> About this topic D. Chung, *Elitist Fascism*, Ashgate Publishing Ltd, 2000 and M.H. Chang, *Fascism and Developmental Nationalism*, Berkeley, University of California, 1985.

<sup>28</sup> E. Lloyd defined the Blue Shirts «One of the most influential and feared political movements in China during the 1930s», *The Abortive Revolution* (1990), p. 31.

<sup>29</sup> The Three Principles of the People (i.e. Nationalism, Democracy and People's Condition) is the title of the most famous political publication of Dr. Sun Yat-sen (*Sānmín zhǔyì*, 三民主義), published in 1924, as collection of speeches in conferences held in Canton. The principles are also mentioned in the political will of the statist, written on March 11, 1925, the day before his death. A translation published by China Publishing Company, Taipei, 1984 is available in Italy.

<sup>30</sup> About this topic, D. Chung, p. 3 and M.H. Chang, pp. 6ss.

<sup>31</sup> Blue and white colors are also representative of the Chinese tradition of heaven and earth.

<sup>32</sup> Chiang Kai-shek's speech held in 1932, reported by E. Lloyds, *The Abortive Revolution* (1990), p. 40.

in their principles and actions. General Chiang allowed the adoption of fascist attitudes not only within the military, but also in the government. Starting in the 1930s, the Blue Shirts found a place within the government.<sup>33</sup> Public officials and military officers were exposed to their thinking and working methods, and the behaviour of fascism was absorbed in the military culture, particularly during the various training missions organised in Europe. Finally, intellectuals, especially those educated according to the canons of traditionalism, were given access to study materials relating to fascism in Europe, and thus became the means of propaganda and information disclosure.

### *3. The beginning of political, economic and cultural collaboration*

Mussolini and Chiang never met each other, but their governments certainly collaborated through their representatives. They shared common interests and projects, building a deep and unprecedented relationship in the history of the two countries. The figure who most contributed to the political rapprochement of the two parties was Count Galeazzo Ciano (1903–1944), son-in-law of Mussolini. In 1930, Ciano was appointed consul general in Shanghai<sup>34</sup> and had a diplomatic role in the negotiations following the Japanese invasion of *Mǎnzhōuguó* in 19 September 1931.<sup>35</sup> During this time the foreign community in Shanghai, living in the international settlement in the heart of the city, was caught up in the military events. During the conflict, the fascist government decided to send a rescue mission via the cruiser Trento and the destroyer Espero.

In 1931, the League of Nations set up a commission of inquiry (led by Lord Victor Bulwer Lytton)<sup>36</sup> with the aim of investigating the causes of the events. The conclusions summarised in the final report were made public, after Japan had already consolidated its hold on the territory it now called *Mǎnzhōuguó*. The commission, while working for a neutral solution among the warring parties, reported that the Japanese invasion was unjustified and contrary to the provisions of the international treaty signed in 1928.<sup>37</sup> The report of 24 February 1933 concluded that, although responsibility for the events could not be established with certainty, there was no substance to the Japanese claim that their action was in self-defence. Hence the commission declared the occupation of China's territory as illegitimate. The refusal to

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<sup>33</sup> The military organization, considered an elite association, reached 10,000 members in 1935, although it is possible that many members were not directly registered or otherwise belonged to similar associations (E. Lloyd, p. 56).

<sup>34</sup> Ciano developed his diplomatic career in China from May 1930 to June 1933. He was appointed consul general in Shanghai, where he arrived in May 1930, immediately after the marriage with Edda (April 24, 1930), daughter of Benito Mussolini. The following year he received the credentials of plenipotentiary ambassador in Beijing (where he had been secretary of the legation from 1927 to 1929, under the ambassador Daniele Varè). He returned to Europe during the World Economic Conference held in London, where also the Chinese minister T.V. Soong attended, who later came to Italy during an official visit. The documentation of the Italian journey is kept in MAE DGAP, China archive (1931-1945), folder 30. The life of Ciano in *Dizionario biografico*, Treccani, vol. 25, 1991.

<sup>35</sup> It began with Mukden's incident, a plot likely coordinated by the Japanese intelligence service along the South Manchuria railway, a company run by Japanese companies at that time.

<sup>36</sup> The Commission included the Count Aldovrandi Marescotti and other delegates representing France, the United Kingdom, the United States and Germany. About the conclusions also read Bartoli Domenico, *La crisi della Cina*, Milan, Institute for International Political Studies, 1938, p. 170. Documentation about the facts of Shanghai is contained in MAE DGAP, China archive (1931-1945), folder 11, which also contains a full report on the events, which had been sent by the Shanghai legation to the Ministry of Foreign Affairs (dated 19 April 1932) and a telegram about the press comments, dated February 20, 1932 (signed by Ciano).

<sup>37</sup> The War Renunciation treaty was signed on August 27, 1928, with the aim to avoid other conflicts and it was promoted diplomatically by Aristide Briand (French) and Frank Kellogg (American), whose names gave the name to the agreement.

recognise the new government of *Mǎnzhōuguó* caused Japan to withdraw from the League on 27 March 1933. It was a decision that destabilised the political and military equilibrium in the Far East and directly affected relations between Italy and China.<sup>38</sup>

Ciano was one of the League's commissioners in charge of investigating the facts. He co-chaired the Shanghai diplomatic representative's committee,<sup>39</sup> which examined the events that occurred during the Japanese occupation. Ciano's work was appreciated by the international representatives. The fascist government itself was euphoric about the diplomatic success of his mission, to such an extent that Mussolini promoted him to plenipotentiary minister. In his three years in China, Ciano became an influential figure who extolled the successes and principles of fascism, especially in the social and cultural circles in Shanghai. He preached knowledge of the fascist corporative system, even at the academic level, by bringing in Italian professors to lecture in Chinese universities. Between 1931 and 1934, the Italian government dispatched experts in culture, science, law and engineering to China. Among these were Alessandro Sardi, president of the Istituto Luce, who represented the film-making industry. On 20 October 1932, the Italo-Chinese League was founded, chaired by Professor Emilio Bodrero, to improve understanding between the two nations. In the summer of 1933, the Italo-Chinese League was incorporated into ISMEO (Italian Institute for the Middle and Far East), chaired by Giovanni Gentile. The ISMEO inherited the cultural functions of the former League, but with the addition of scientific promotion, making it a disseminator of interesting publications about Asia.<sup>40</sup> The two institutions also encouraged the study of Chinese language and culture in Italy, facilitated communication between the intellectuals of the two countries and assisted, through scholarships, the missions of young Italians and Chinese to complete their education.

In December 1932, a fascist corporative law course began at the university of Soochow. Professor Attilio Lavagna, from the Piedmont region and counselor for the Italian Supreme Court, was in China from October 1933 until October 1935. He devoted himself to creating a new Chinese criminal code, which came into force in June 1935. He also worked on the new Chinese constitution project and helped reorganise the ministry of justice. Finally, he taught at the Academy of Magistrates in Nanjing.<sup>41</sup> After he returned to Italy, Chiang appointed him as honorary legal adviser.

In the early 1930s, the lawyer Benito Mari was commissioned to draw up a project for the modernisation of the silk industry in the Che-Kiang region (浙江, ZhèJiāng). He created an experimental farm for sericulture, but the initiative failed because the Italian industries dissociated themselves from the project and Mari returned to Italy at the end of 1934 for health reasons. In 1935, an industrial initiative was planned for the construction of an artificial silk plant. The project involved the Società Generale Italiana della Viscosa, together with diplomatic authorities and the China Development Financial Corporation. After months of

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<sup>38</sup> About the relations between Italy and Japan, V. Ferretti, *Il Giappone e la politica estera italiana 1935-41*, Milan, Giuffrè publisher, 1995.

<sup>39</sup> Ciano prepared two reports on behalf of the League of Nations, then published by the Committee of Diplomatic Representatives in Shanghai, dated 6 and 12 February 1932. The documents in MAE DGAP, China archive (1931-1945), folder 11.

<sup>40</sup> The documentation concerning the ISMEO, the Italo-Chinese League and the relations with China are kept at MAE DGAP, China archive (1931-1945), folder 34, in notes sent to the Prime Minister's Cabinet by the Government Council, dated 28 June 1933, which reports the purpose of the two institutions and their representatives. About the ISMEO activity also read V. Ferretti, *Politica e cultura: origini e attività dell'ISMEO durante il regime fascista* «Storia contemporanea», a. XVII, n. 5, October 1986.

<sup>41</sup> Attilio Lavagna, Italian magistrate and President of the Supreme Court of Rome. D. Bartoli, *La crisi della Cina* (1938), p. 292.

negotiations, the project was abandoned because the parties could not reach an agreement. The project instead went to an American company.

Other Italians were noted for their entrepreneurship in China. Angelo Omodeo, an internationally renowned engineer, was sent to China in October 1934 on behalf of the League of Nations, together with other engineers, to find a solution to the frequent devastating floods of the Yangtze River. Pietro Gibello Socco, an engineer and entrepreneur, was among the supervisors of the railway network in Manchuria. He retired in Harbin (Manchuria), where he retired and died in 1943.<sup>42</sup>

The unrelenting propaganda of fascist Italy and the mutual economic interests led to reciprocal initiatives by Chiang's government. Starting in 1933 and during the period of diplomatic activity of Ciano (May 1930 to June 1933), the Generalissimo sent missions of his own to Italy, to conclude trade agreements and familiarise themselves with fascist ideology.

Hsiang-hsi Kung (1881–1967),<sup>43</sup> a member of the Kuomintang Executive Committee, minister of industry and brother-in-law of the Generalissimo, joined one of those high-level meetings in Rome. In February 1933,<sup>44</sup> Kung met with the Pope and Mussolini. Returning to China, the Chinese minister spoke directly to Chiang about his favourable impressions of Italy. From that mission, the foundations for economic and military co-operation were laid. Formal contacts began for the preparation of a training mission, designed to improve the Chinese air force, which Chiang considered of strategic importance. The air force mission was later formalised through a diplomatic request to the Fascist government on 10 April 1933,<sup>45</sup> along with a purchase order for 100 million lire worth of military aircraft from FIAT and Caproni. During the second official mission, Tse-Ven Soong (1894–1971), finance minister and governor of the central bank, as well as brother-in-law of the Generalissimo,<sup>46</sup> arrived in Italy in the midst of a long trip scheduled in conjunction with the World Economic Conference in London, but also planned to meet with high-level European representatives. In London on 1 July 1933, the Chinese representative signed with the Italian finance minister Guido Jung (1876–1949) an agreement that finally resolved the Boxers' indemnity toward Italy.<sup>47</sup> He then

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<sup>42</sup> The facts concerning the Italians mentioned in this essay are documented in MAE DGAP, China archive (1931–1945), folder 34 (mentioned ISMEO and Italo-Chinese League, in a brief memo to Benito Mussolini dated June 28, 1933 and information concerning Alessandro Sardi), envelope 35 (presence of foreigners, in particular German militaries in China) and envelope 45 (silk industry project, examined in the communication from the Italian Embassy in China to the Ministry of Foreign Affairs and signed by Ambassador Lojacono and dated April 17, 1936 with correspondence also concerning the lawyer Mari).

<sup>43</sup> Kung Hsiang-hsi (1881–1967, Kǒng Xiángxī) was one of the richest and powerful man in republican China. He was of Protestant faith. Born in 1881 in Shānxī he completed his studies in the United States (Yale). Kung was a loyal ally of General Chiang, also for more personal reasons, being the brother-in-law of the Generalissimo, since he married Ai-ling Soong, eldest Sister of Mei-ling, Chiang Kai-shek's wife. A brief biographical note is kept at MAE DGAP, China archive (1931–1945), folder 30.

<sup>44</sup> The mission took place from 5 to 10 February 1933.

<sup>45</sup> MAE DGAP, China archive (1931–1945), folder 34. Letter sent by minister Kung to Ciano dated 10 April 1933. It also includes the foreseen budget of expenditure. It was proposed to fund the investment with the residual amount of the Boxers indemnity (Ciano's message to Minister Guido Jung, dated May 30, 1933).

<sup>46</sup> Soong Tse-ven (1894 – 1971, Sòng Zīwén) was one of the three brothers of Mei-ling Soong, the last wife of Chiang Kai-shek. The story of the Soong family is remarkably intertwined with the history of modern China, through the tale of the Soong sisters who married respectively Sun Yat-sen (Ching-ling Soong), Chiang Kai-shek (Mei-ling Soong) and Kung Hsiang-hsi, minister of industry in Chiang's Government (Ai-ling Soong). S. Seagrave, *The Soong Dynasty*, London, Cox and Wyman Limited, 1996.

<sup>47</sup> The agreement was kept secret and the documentation is archived in the MAE DGAP, China archive (1931–1945), envelope 30 (including the agreement signed in London on July 1, 1933). The document stated the final payment of the indemnity to Italy, with the commitment to allocate the amount, partly paid through the Banca Italiana per la Cina (headquartered in Tianjin), partially payable in three months and the balance conferred to the



travelled through Italy from 3 to 14 July, where he met Mussolini (13 July), before travelling to Switzerland and from there to Germany. During the meeting in Rome, King Vittorio Emanuele III awarded Soong with a medal of honour.<sup>48</sup> The mission was crucial for future relations between the two governments, which endorsed co-operation in fields of national interest, from trade to cultural exchanges, but above all, as strongly requested by Chiang, military support. On that occasion, an agreement for the construction of an Italian aircraft factory in China was finally reached.<sup>49</sup>

These mainly economic deals were based on the sharing of interests and objectives for the benefit of the respective countries. On the one side, Chiang and his ministers found it convenient to join forces with a recognised power, especially one with few colonial ambitions in Asia, in order to improve their economic development and military posture. As for Mussolini and Ciano, they understood the opportunities for Italian industry to penetrate a large market.

As a result, the missions of the Chinese nationalist government expanded. In September 1933, a Chinese military delegation led by Lieutenant General Chen Chin-yun arrived in Italy with the aim of visiting several military bases and studying the technology of the Italian Air Force. In October 1933, engineer Ho Chee-Kin, mining manager of the Guangdong region, arrived in Milan to tour the most important industrial sites of Lombardy. In November, the engineer Ming Ting Young visited Italian reclamation sites. Among the Chinese personalities in the newspaper articles of the period was the Catholic priest Yu-Pin, a graduate in political sciences at the university of Perugia,<sup>50</sup> who accompanied some of the Chinese delegations during the 1930s. In these same years China established consulates in Rome, Genoa, Milan, Trieste and Venice.

Mussolini's appreciation for the genuine esteem espoused by Chiang added strength to their political relations and to their open collaboration, as evidenced by this telegram of August 1934:

I ask Your Excellency to meet the Generalissimo personally, to thank him for his expressions of esteem and to tell him that I agree with his contentment and his work in general to implement his government plans in line with the Italian politics. This will only give undoubted advantages to the two countries. By adapting China's requirements to the principles of the Fascist State, the body of the Republic will be strengthened, able to acquire real control over the whole country and meet the needs of defence in foreign policy. The importance of these results, that can generate even greater Italian-Chinese collaboration, certainly does not escape Chiang Kai-shek, who knows how such collaboration is conducted with the most friendly sentiment and spirit of equality [...] Finally Your Excellency will warn, in a very reserved and prudent way, Chiang Kai-shek about the serious suspicions of intent between Germany and Japan, well-substantiated suspicions, I would say almost about the nature of things, as it is natural that Germany wants to loosen Russian pressure at the eastern borders. If the Generalissimo

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Chinese Government's as a bank loan to be use for the purchase of Italian goods for final settlement after about twenty years of negotiation, of the share of Italian outstanding credit in the Skoda financing. Skoda's loan involved financial institutions of six countries (Italy, France, Switzerland, Great Britain, Belgium and Czechoslovakia). The Skoda financing events are summarized in MAE DGAP, China archive, folder 1 and 3 (report of February 7, 1931 from the Shanghai consulate signed by Ciano). F. Tamagna, *Italy's Interests and Policies in the Far East*, New York, Institute for Pacific Relations, 1941.

<sup>48</sup> The Gran Croce Mauriziana, documentation in MAE DGAP, China archive (1931-1945), folder 30 (including several articles of the Japanese press, among them the Japan Times of July 14, 1933).

<sup>49</sup> Later planned and built at Nanchang with a mission that began a few months later. It was the most important Italian investment realized in China in the pre-Communist period.

<sup>50</sup> The short biography and documents concerning the work of Monsignor YU Pin in Italy are collected in the historical archive of MAE DGAP, China archive, folder 34.

considers it prudent to replace military advisers and turn to Italy, we will be happy to meet him in this field as well.<sup>51</sup>

#### *4. The mission of the Italian air forces in Nánchāng (1933 - 1937)*

As a concrete example of the benefits of this growing political and economic rapprochement, mention should be made of the mission of the Italian *Regia Aeronautica* to *Nánchāng*. Initially composed of Colonel Roberto Lordi (1894–1944)<sup>52</sup> and the officer Nicolo Galante, the delegation departed from Naples on 7 September 1933 aboard the ship Conte Rosso and arrived in China in October 1933, with the task of training pilots for the Republic of China (中華民國空軍, *Zhōngguó Mínguó Kōngjūn*). The mission was stationed at *Nánchāng*, in today's Jiangxi province. Other Italians arrived later, until by 1937 the group reached a total of ten officers and four assistants. This year saw the beginning of the Sino-Japanese conflict, which ended the mission. A few months after the departure of Colonel Lordi in 1934, the Italian Aeronautical Consortium for China<sup>53</sup> was established with headquarters in Milan and Shanghai, whose purpose was to mediate the production and purchase of Italian military aircraft. The consortium was desired by Mussolini to prevent the various Italian companies from competing against each other. Engineer Luigi Acampora was appointed managing director. The military initiative was developed in competition with a similar American mission, which had operated since 1932 in *Hànkǒu*, *Húběi* province, and was led by colonel John H. Jouett.<sup>54</sup> The direct intervention of the Italian government (in contrast to the American mission, which was a totally private venture), government investment, partially assisted by payments from the remaining settlement of the Boxer indemnity, and Mussolini's permission to use the military planes and resources against the communist resistance, brought the project closer to the expectations of general Chiang himself. It was no coincidence that in April 1934 the aviation headquarters of the nationalist government moved to *Nánchāng* and from that base began air sorties against the communist resistance. Lordi was appointed by the Generalissimo as aeronautical adviser. Chiang did not spare his praise and demonstrations of confidence to the Italian officer.

The success of the mission led to the signing of contracts for the purchase of Breda, FIAT, Caproni and Savoia-Marchetti aircraft for pilot training in China.<sup>55</sup> Chinese pilots and engineers were sent to Italy to study the language at the Oriental University of Naples, with scholarships offered by the ministry of the Italian colonies. As proposed by the Italian military mission, Nanjing University opened aeronautical engineering courses conducted by Italian engineers. At the same university, FIAT, among the largest beneficiaries of the purchase orders, also delivered a wind tunnel.

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<sup>51</sup> Telegram dated August 1934 sent by Benito Mussolini and to the Italian Consul in Shanghai, MAE DGAP, China archive (1931-1945), folder 35.

<sup>52</sup> Documents of the aviation mission in China are held at MAE DGAP, China archive (1931-1945), folder 54.

<sup>53</sup> It consists of four Italian companies (Breda, Caproni, Fiat, and Siai). The facility called S.I.N.A.W. (Sino-Italian-National Aircraft Works) was also financially funded by the Banco di Napoli with a 75% guarantee of the Italian State. Scaroni Silvio, *Missione militare aeronautica in Cina*, Ufficio Storico Aeronautica Militare, 1970, p. 47.

<sup>54</sup> Also quoted in the telegram sent by the Italian Embassy in Washington to the Italian Foreign Minister dated 15 September 1933, MAE DGAP, China archive (1931-1945), folder 54.

<sup>55</sup> A squadron of CR 32, one of Breda 27, one of Caproni 111 and one of Savoia Marchetti S.72 were purchased for a total amount of several tens of millions of lire (1934 currency value). Orders are contained in MAE DGAP, China archive (1931-1945), folder 35 and 45.

Meanwhile, in June 1935, the mission of Colonel Jouett at the American base of Hankou ended. The contract was not renewed,<sup>56</sup> giving the clear impression that Chiang Kai-shek personally favoured the Italian initiative. But right at the moment of its most evident success, for reasons still debated by historians, Mussolini gave the order to withdraw Lordi from command of the mission. The decision shook the political relations with Chiang.<sup>57</sup> The mission was then assigned to General Silvio Scaroni.<sup>58</sup> Lordi was repatriated<sup>59</sup> and, after a brief trial, sent into retirement with the rank of brigadier general.

Scaroni recalled in his memoirs Mussolini's words of uneasiness when he entrusted the general with the task, saying: "*If you cannot do better, carry the scrap of the mission with dignity.*"<sup>60</sup> Scaroni began his mission in China after having completed a challenge that was glowingly reported by the international newspapers. He flew from Rome in a journey that lasted 70 hours, travelling 14,500 km and landing on 4 August 1935 at Shanghai Airport in a Savoy-Marchetti S.72. This latest generation of Italian technology was presented to Chiang as a gift from Mussolini. Despite this demonstration of skill and courage, Scaroni did not at first enjoy the same trusting relationship that Chiang had shown to Lordi. In his diary of the mission, the Italian officer reported his concerns about the delicate relationship and described the deep disagreement between Chiang and Mussolini, one that apparently was never completely healed. The Generalissimo complained about the serious lapse in protocol, attributed to the fact that he was not previously informed of the change:

The Generalissimo told me in all the letters. For him Mussolini had done an undeserved wrong [...] The Generalissimo had chosen my predecessor as his chief advisor for Chinese aviation, but he could equally have chosen any other foreign officer, leaving aside the Italian Aeronautical Mission as much as the similar American mission. It was a strictly personal matter for the Generalissimo.<sup>61</sup>

*Nánchāng's* Italian plant was completed with materials arriving in several shipments from Italy and partly financed by the Banco di Napoli. Italian engineers and workers were sent to China and production began in 1937. But as early as 1936, political support from the Chinese government seemed to be waning, and not just because of the Lordi issue. Several times

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<sup>56</sup> About the American mission, A. Young, *China Nation-Building Effort, 1927-1937*, Stanford University, 1971. References concerning Chiang Kai-shek's dissatisfaction with Colonel Jouett are at p. 355.

<sup>57</sup> Scaroni in his diary did not specifically mention the reasons, but he recalls that he was invited to clarify by Meiling Soong, Generalissimo's wife (S. Scaroni, p. 27). G. Borsa, *Tentativi di penetrazione dell'Italia fascista in Cina 1932-1937*, «Il Politico», vol. 44, No. 3, September 1979, explains that the reasons of the return to Italy were related to an investigation into corruption allegations concerning military supplies, in which the Chinese minister of Kung was also involved.

<sup>58</sup> S. Scaroni (1893-1977), a military pilot during the First World War, was decorated with the gold medal for military valor. He continued his career in military aviation as a military attaché at the London and Washington embassies. After the experience of *Nánchāng*, serving Chiang Kai-shek's government, he was general of the air force divisions during World War II, and at the end of the conflict he withdrew to private life, devoting himself to the publication of his diaries. He died in Milan in 1977.

<sup>59</sup> The sad epilogue of Roberto Lordi's life saw him protagonist in the episode of the Fosse Ardeatine in Rome. He voluntarily consigned himself to the Germans to protect another person accused of conspiracy in January 1944 and he was also shot on March 24, 1944. He was awarded the Gold Medal to the Military Valor. About Roberto Lordi also G. Borsa, *Tentativi di penetrazione dell'Italia fascista in Cina 1932-1937* and more recently Chiarvetto Roberto, Menardi Noguera Alessandro, Soffiantini Michele, *Flying over Zenzura. Italian militaries in search of the unknown*, 2017, Rivista Aeronautica.

<sup>60</sup> S. Scaroni, *Missione militare aeronautica in Cina*, p. 12.

<sup>61</sup> *Ivi*, p.18

Mussolini and Ciano had to intervene directly to urge Italian diplomatic representatives to obtain reassurance of China's intentions regarding the air base.<sup>62</sup> Documents in diplomatic archives reveal frequent complaints about supplies considered of low quality, but the Chinese position was mainly attributable to the fact that the nationalist government was aware of emerging political and economic ties between the Italian government and *Mǎnzhōuguó*.<sup>63</sup>

The invasion of Ethiopia in October of 1935, followed by the League of Nations requesting Italy to take a step back, brought Sino-Italian relations to a crossroads. As reported by Scaroni, finance minister Kung asked him to send a personal telegram to Mussolini, bypassing the Italian ambassador, Vincenzo Lojacono, and implore the Duce to resolve the Ethiopian crisis as soon as possible in accordance with the League of Nations. It was felt that the Ethiopian invasion might encourage Japan to embark upon aggressive acts of her own.<sup>64</sup> The request was ignored. The mission continued until 1937, although not without difficulties and misunderstandings, but the Italian officers themselves never lacked for commitment and dedication as required for their mission. Among these officers was Captain Enrico Cigerza, who, in addition to his role of instructor, was also Chiang's personal pilot of and performed various dangerous missions with the Generalissimo.<sup>65</sup>

Concerning the alliance signed between Italy and Japan, history has interpreted the agreement as a decision by Mussolini and Ciano, who wanted a reliable ally in the fight against international communism, while General Chiang, for the sake of his country's defence, had already shown signs of compromising with communism. This change stood in strong contrast to the rigid intransigence shown at the beginning of his mandate as leader of China. This new attitude was revealed after Xī ān incident,<sup>66</sup> which forced him to consider an alliance with Mao's communist forces against the Japanese invaders. The events of Xī ān irrevocably changed the prospect of co-operation between the Republic of China and the Kingdom of Italy. It was decided by the Italians that the political and economic alliance should no longer be considered exclusive.

On this topic, the Italian historian Valdo Ferretti<sup>67</sup> presented his own interpretation of the agreement with Japan. He claims that the Italians wanted to balance Germany's dominant

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<sup>62</sup> Mussolini's telegrams addressed to the Italian Ambassador in Shanghai, dated January 1936 «...I repeat again that, what has so far made our country for China, justify an absolute right to ask at least a clear and unequivocal position from that government, whose undeniable difficulties related to regime of sanctions (against Italy) can represent a propitious circumstance to confirm our repeatedly expressed friendships» and Ciano's communication to the secretary of State, Giuseppe Valle, dated 28 July 1936, MAE DGAP, China archive, folder 56.

<sup>63</sup> Highlighted by the documentation contained in MAE DGAP, China archive (1931-1945), folder 30. Report about a meeting held in Geneva with Manchukuo's financial advisor, Arthur Edwards, dated 22 February (signed by G. de Rossi) and communication of the fascist general confederation of the Italian industry to the General Affairs Policy Department of the Ministry of Foreign Affairs, with the title "the development of industrial activity in Manchukuo", dated April 1, 1933, which also reports the visit of Edwards to Milan and meetings with Italian companies (mentioned FIAT, Breda and Marelli).

<sup>64</sup> S. Scaroni, *Missione militare aeronautica in Cina* (1970), p. 21

<sup>65</sup> *Ivi*, p. 29. The author also reported that in December 1936 captain Cigerza was the pilot, who brought back the Generalissimo to Nanjing from Xian, where he was held captive by the military rebels commanded by Chianghsue-liang.

<sup>66</sup> The episode happened in December 1936. The Generalissimo was arrested by one of the so-called "warlords", Chiang-hsue-liang, and released only after accepting the compromise to unite the front with the Communists against the Japanese invaders. Chang Kai-shek described the episode as the greatest humiliation of his life. The incident represented de facto the temporary suspension of the conflict between nationalists and communists in China. The events subsequently were more beneficial to the Mao communist party supported by Stalin.

<sup>67</sup> V. Ferretti, *Il Giappone e la politica estera italiana 1935 – 41*, Milan, Giuffrè publisher, 1995.



position in the anti-communist alliance, to weaken Britain's global position,<sup>68</sup> to gain strategic advantages in areas of mutual interest (especially in the Mediterranean), and finally for economic reasons. At the time Japan was an aggressive competitor for trade in Ethiopia.<sup>69</sup> It was also evident that some commercial dialogue between Italy and Japan had existed before the departure of the last Italian missions to China. Diplomatic documents reveal that the fascist government had already begun talks with *Mǎnzhōuguó* in 1933.<sup>70</sup> Representatives of the occupied territory came to Italy to conclude contracts with the major Italian industries, despite the call by the League of Nations to its members not to recognise *Mǎnzhōuguó* as an independent state. On the other hand, this attitude of compromise was in line with the Italian government's policy towards the Asian countries, according to which economic benefits were always the main objective. Mussolini and Ciano repeatedly sent clear guidelines to their diplomats in the Far East, giving instructions to continue economic co-operation with all the relevant partners.<sup>71</sup> However, the correspondence in the Italian diplomatic archives<sup>72</sup> shows that, for the Chinese government, the events that occurred in Ethiopia in October 1935 were decisive. In reconsidering the relations between the two countries, Chiang's government opposed the aggression in Ethiopia and therefore opposed Italian colonial ambitions in Africa. China simply could not accept the Italian action, not when it was itself the victim of a foreign invasion and needed international support.

Japan had already withdrawn its delegates from the League of Nations in 1933. Italy (which would leave the League in 1937), reacted with equally strong sentiment against the international community. As a result, these two emerging empires, hitherto living in a state of mutual distrust, found new arguments to strengthen their political alliance. From that moment on, a number of important decisions finally changed the geo-political makeup of the international alliances. On 18 November 1936, the emperor of Japan officially recognised the title of Emperor of Ethiopia for Vittorio Emanuele III. In 1936, Italy and Japan agreed to the simultaneous opening of consular offices in Addis Ababa (representing Japan) and Mukden, capital of *Mǎnzhōuguó* (for Italian diplomatic representation). This episode was obviously interpreted as anticipating the recognition of *Mǎnzhōuguó*. On 24 December 1936, Chiang concluded the National Unity Agreement with the Chinese Communist Movement to oppose the Japanese invasion. These latest decisions were crucial for the definitive political steps taken by Italy and China.

Despite the events that led to their political divorce, the economic relationship between Italy and China continued along its own path. For no other reason than convenience, the two

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<sup>68</sup> *Ivi*, p. 9 e p. 60.

<sup>69</sup> *Ivi*, p. 24 e p. 41ss. About the same topic also F. Tamagna, *Italy's Interests and Policies in the Far East* (1941), p. 23 ss.

<sup>70</sup> MAE DGAP, China archive (1931-1945), folder 30. Documentation about the trade relations between Italy and *Mǎnzhōuguó*, series of documents dated April 1933, with evidence of talks held in Milan with representatives of the territory of *Mǎnzhōuguó* under Japanese influence and with reference to common commercial interests.

<sup>71</sup> For example, the communication sent by Benito Mussolini to the Italian Embassy in Shanghai dated December 26, 1935 «it is advisable to keep positions acquired to make them profit, when the situation will be normal again. These directives are inspired by the concept of defense and possibly the development of our interests in China, not that of giving anti-Japanese character to our actions». MAE DGAP, China archive (1931-1945), folder 45.

<sup>72</sup> A list of diplomatic communications from the Italian Embassy in China and directed to the Foreign Minister explaining the Chinese position, one of which dated 29 October and a second one dated 3 December 1935 (Protocol 1993/465) and signed by Ambassador Lojacono, explaining «From a political point of view it is undeniable that the Chinese Government, made its own consideration and found that Italy's friendship cannot give tangible benefits during the sanctions phase and instead that it is most useful to approach the British led coalition of Geneva group». MAE DGAP, China archive (1931-1945), folder 45. About the issue concerning the Italian aggression in Ethiopia, G. Samarani and L. De Giorgi, *Le relazioni tra Cina ed Italia nel Novecento*, p. 69.

countries kept open the diplomatic dialogue, continued to heap honours upon each other,<sup>73</sup> and their missions continued to travel together until 1937.

In the spring of 1937, the American colonel Claire J. Chennault arrived to supervise the development of a Chinese air force.<sup>74</sup> On 21 August 1937, China and the Soviet Union signed in Nanjing a non-aggression pact. On 29 November, Mussolini's government, which had accepted the legitimacy of Japanese interests in the Far East, recognised *Mǎnzhōuguó*, bringing to a de facto end the economic relations with nationalist China. In commenting on a Chinese acquaintance's harsh critique of Italy, Ciano replied:

Italy's attitude towards China remains ever friendly, and we sincerely desire the prosperity and progress of your country. By not encouraging China in an uncompromising rigidity, destined to remain in a state of platonic protest, Italy intends to serve the interests of the Chinese people more effectively than other countries have done, countries which, after having urged China to resist, merely for the sake of safeguarding their own selfish and imperialistic interests, are now causing newspapers to appeal to the Chinese Government to face the fact of the defeat it has suffered and accept peace at any terms, however onerous.<sup>75</sup>

In December, Soviet military aircraft began to arrive at *Nánchāng* airport.<sup>76</sup> On the 8th of that same month, Ciano telegraphed the order returning the entire mission group from Hong Kong, (which embarked on the steamer Victoria on 19 December).<sup>77</sup> Already xenophobic movements were targeting the last remaining Italians, particularly religious missionaries. On 15 December, representatives of the Chinese government informed the last representatives of the Sino-Italian Aircraft Works that the nationalist government had decided to take over the plant and that the Italians were requested to leave. A financial argument over the expropriation of materials and machinery followed. The nationalist government, as argued by the finance minister Kung, declared that the plant's activities were suspended by the circumstances of force majeure.

Production at the industrial site continued, as it did in the Sino-American and Sino-German plants. However, the Japanese, despite their declared friendship for Italy which still co-owned the plant, bombed the airport and the factory several times. The decade's greatest example of the collaboration between fascism and nationalism had ended, with moral obligations and unpaid debts. It served as one more example of the fragility of alliances in the years before the Second World War.

All the other Italian military initiatives launched in China in those years ended at this time. Among these were the naval mission of Captain Luigi Notarbolo. Captain Notarbolo had arrived in China in 1935, to serve as advisor to the Generalissimo on matters of naval defense and to

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<sup>73</sup> In April 1936, the Order of the Crown of Italy was awarded to the Major of Chinese air force Sun Tun Kan and in September Ciano was awarded the First Order of the Red Jade Order. MAE DGAP, China archive (1931- 1945), folder 56.

<sup>74</sup> A. Young, *China Nation-Building Effort, 1927-1937*, p. 355.

<sup>75</sup> Letter written by Ciano and dated December 1937 addressed to Chen Kung-Po (Chinese Press and Propaganda Minister) MAE DGAP, China archive (1931-1945), folder 61. It follows the letter dated 30 November 1937, in which Chen Kung Po affirmed: «I never thought that your country would give China such a death blow at this critical moment in recognizing Manchukuo. You told me time and again Italy would observe the strict neutrality, even everything would be strictly neutral. What do you think of this recognition? ».

<sup>76</sup> Note dated December 5, written by Scaroni, *Missione militare aeronautica in Cina*, p. 72 «Captain Cigerza tells me that two hundred Russian military officers with thirty fighters were arriving yesterday at the military airport of Nanchang [...] Today, the Russians are allied to China and come to replace us. It is in the same airfield that we have created mainly to fight them».

<sup>77</sup> *Ivi*, p. 73

assist in procuring materiel for the Chinese navy.<sup>78</sup> The Italian officer devoted himself to the reorganisation of the Submarine Mines College and to strengthening the defences along the Yangtze. The plan entailed placing heavy artillery on both banks of the river and the use of torpedoes to be purchased in Italy. Although funding was approved by the nationalist government, there was no time to complete the project, as it was suspended at the beginning of the conflict with Japan. The order for torpedo boats and other Italian materiel was cancelled and subsequently awarded to British and American companies. Finally, the naval mission arrived in Hong Kong to return to Italy on 2 January 1938.

#### *5. The mission of Alberto de' Stefani (March - October 1937)*

In 1937, shortly before the Second Japanese invasion of China, Ciano<sup>79</sup> authorised a last Italian mission. Alberto de' Stefani (1879–1969),<sup>80</sup> a liberal academic economist in Italy and a former minister of finance (1922–1925), was appointed high commissioner for economic and social affairs upon the direct order of Chiang. The memoirs of de' Stefani<sup>81</sup> contain interesting details about the nature of the collaboration between the Italian and Chinese governments and the personality of the Generalissimo. On 6 March 1937, de' Stefani left Naples aboard the Lloyd Triestino liner *Victoria*, travelling with his family and the consul general Iginio Magrini, who was chosen to become chief secretary of the mission.<sup>82</sup> Before leaving, the economist was received by the highest authorities of the kingdom, including Mussolini and the foreign minister Ciano, to whom de' Stefani asked:

I wish to know if I can consider my mission in China as performed in the interest of Italy and as a milestone of the historical developments of our [fascist] revolution in the world [...] I need to know if the formation of an organised and powerful Chinese state, which constitutes a great political and military force in the Far East, is in line with Your Excellency's directives.<sup>83</sup>

Ciano asserted the mission to be at the service of Italy and fascism.<sup>84</sup> For this reason, de' Stefani would be appointed Minister of State. In reply to the second question, however, Ciano briefly stated that the priority was to favour an agreement between China and Japan, countries with which Italy had established, for strategic reasons, good relations. Ciano added that he wanted to be constantly informed of the situation in China and of its evolution. He reminded de' Stefani that Italy, like the other international powers, did not recognise “neither in matter of jurisdiction nor in fact”<sup>85</sup> the legitimacy of the constitution of a Manchukuo independent

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<sup>78</sup> MAE DGAP, China archive (1931-1945), folder 75 (report dated 30.3.1936) and Giorgio Borsa, p. 410.

<sup>79</sup> Note dated 21 October 1936 written by the Ministry of Foreign Affairs (signed by Ciano) to Alberto de' Stefani, kept in the historical archives of the Bank of Italy (now BdI), archive of Stefani (mission in China, folder 27).

<sup>80</sup> Alberto de' Stefani was the most important political and economic figure to visit China after Ciano. De' Stefani, a militant of early years in the fascist movement and a top-level representative in the party, became the official economist of Fascism. He was one of the first economist joining the liberal economic school, also called authoritarian, and he was honored to have brought the Italian state budget again into balance and to start restructuring the public administration. He was finance minister and treasurer from 1922 to 1925.

<sup>81</sup> Ciano was appointed foreign minister in 1936. The documents of de' Stefani's mission are today collected at the Bank of Italy's historical archive.

<sup>82</sup> Press Release dated 6 March 1937 issued by the Royal Academy of Italy, BdI, de' Stefani archive (mission in China, folder 27).

<sup>83</sup> Notes kept in BdI, Stefani's archive, folder 27, memo dated 12.12.1936, 16.30.

<sup>84</sup> Notes of de' Stefani dated 12 December 1936 (BdI, de' Stefani archive, folder 27).

<sup>85</sup> The quote is mentioned in de' Stefani's memoirs (note written on 12.12.1936). The recognition of Mǎnzhōuguó by the Italian Government took place on November 29, 1937.

from China. Clarifying the programme's goals and the role of 'informer' of the facts, de' Stefani could then start his mission in China.

The first meeting with Chiang took place on 30 March 1937 in *Hángzhōu*. On that occasion, the senior advisor met with the highest authorities and a few days later embarked on an exploratory trip in the territory of China. On 23 June, de' Stefani met Chiang again at his summer residence in Kuling,<sup>86</sup> where he presented the general with the first report on the administrative reforms he intended to propose.<sup>87</sup> During the meeting, the Generalissimo asked the high commissioner for his initial impression of the status of the country and the expected development of his mission. De' Stefani recommended they immediately begin the reorganisation of the local government and the peripheral tributary system, both of which were essential for the support of state funds and at that time very inadequate. At the same time, he recommended the centralised control of the two administrative systems through the creation of a high national commissioner.<sup>88</sup>

The entire project was accompanied by notes about the implementation of a new ethical culture in the workplace, based on the professional preparation of the staff and according to the traditional principles of duty and public interest which Chiang himself had invoked in his speeches. To create an effective taxation system, de' Stefani proposed establishing a land registry for the fair determination of taxable income. It would be determined by the different social conditions and the rates would be revised every five years. De' Stefani also suggested the reorganisation of the indirect tax system, starting with the stamp duty.<sup>89</sup> This would be easy to implement and would immediately replenish the administration's treasury, making it self-supporting. The project had the immediate and full support of Chiang.

On 13 July (when the Sino-Japanese conflict had just begun),<sup>90</sup> the high commissioner gave a speech to the senior officers of the armed forces, in which he publicly explained the purpose of his mission in support of the reorganisation of the State administrations. He also seized the opportunity to reiterate Italy's solidarity with China:

As an Italian, I have no reason not to desire your prosperity and your reborn greatness. I do not need to worry about your dream, which everyday becomes reality, of autonomy and economic prosperity, which are the conditions of your strength and political independence [...]

Calling for the support of the entire population, de' Stefani explained to the officers the value of the reforms he was preparing:

When the public money is well employed in national and general utility, the nation will be able to use a greater share of its resources instead of dissipating possibilities. It will increase its coefficient of efficiency. National income will increase with products and services: the poor can be less poor and the rich, from the increased collective wealth, may also be richer. This is the wealth of nations. Fulfilment of tax duties leads to a greater amount of national work

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<sup>86</sup> Location in Lúshān Qū district in Jiāngxī province, still remembered to have been the favorite destination of the Chiang family.

<sup>87</sup> Overall six reports dated 21 April, 6 June, 23 June, two reports of 25 June and last one July 31, issued when the Sino-Japanese conflict had already begun (July 7, 1937) and related to the supreme mobilization government body suggested by de' Stefani as a national coordinating organ. All the reports are kept at Bdl, de' Stefani's archive (Mission in China, folder 27).

<sup>88</sup> Report dated June 25, 1937, Bdl, de' Stefani's archive (Mission in China, folder 27).

<sup>89</sup> Report dated June 23, 1937, Bdl, de' Stefani's archive (Mission in China, folder 27).

<sup>90</sup> The second Sino-Japanese conflict (the first one occurred in 1894-95) began on 7 July 1937 following the incident at the Marco Polo Bridge (near Beijing) and ended on September 9, 1945.



towards the constructive aims of the Revolution, it activates money circulation and stimulates growth [...] China is rich, enormously rich. Her health, most of her wealth, is still buried. But her great wealth, what many consider a cause, or the cause of your poverty, is the abundance of work. Such abundance will become the cause, the condition, the guarantee of your wealth and your power.<sup>91</sup>

On 17 July, the high commissioner again met Chiang to discuss the organisation of the government in a state of war. He was asked for an opinion on how to efficiently organise resources during the conflict. De' Stefani suggested that emergency powers be immediately given to the leader of the nation. It was necessary to institute a 'supreme body of mobilisation',<sup>92</sup> of which the Generalissimo would be the leader, with tasks also concerning the government of the economy. Again, on that occasion Chiang asked the specific and expected question about the position of Italy. De' Stefani replied by assuring that Mussolini and his government continued to firmly support peace in China. The Generalissimo thereupon asked de' Stefani to persuade Mussolini to personally intervene in the conflict. The request was reiterated, with greater emphasis, by the first lady, Soong Mei-ling, in the concluding words of the evening:

The Generalissimo has deep faith in Mussolini. When Conte Ciano was Italian Minister in China there was unusual friendship between the two countries. And to the Italian General Adviser Mr. Scaroni of the China National Aviation Committee, we never conceal anything from him. This is sufficient to show how the Chinese are truer to Italians than to other nationals. I hope you will restate the Generalissimo's statement to Mussolini, that we may have his highly esteemed support.<sup>93</sup>

Over the next few weeks, de' Stefani offered financial advice to the treasury department, suggested means to support government finances, issued short-term treasury bills, and closely monitored the currency system, whose volatility was a cause of concern in a war. On several occasions the Italian economist met T.V. Soong, at that time vice president of the Republic. At a meeting on 26 July 1937, the two discussed how to stop financial speculation amid the war. De' Stefani suggested having the government intervene in the market by repurchasing, if necessary, national treasury bills to prop up their value in case of a fall in market prices. At the same time, he proposed generating steady revenue through levies on other tributary sources, of which de' Stefani himself had prepared a detailed report to be presented to Chiang. The financial plan was introduced by de' Stefani with an explanatory memorandum (dated the same day of the meeting with Soong, 26 July 1937). It was then applied with a first issue of treasury bills having a total value of 100 million Chinese dollars, while the new tax planning schedule was presented to Chiang personally by the commissioner.<sup>94</sup>

De' Stefani's mission, which at the beginning had a one-year contract, terminated earlier than expected due to the war. In commenting on de' Stefani's mission, General Scaroni stated that the minister failed to achieve all the goals he had set out to do, owing to strong opposition from the Chinese financial magnates who pursued their own interests at the expense of the

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<sup>91</sup> Speech to the high hierarchies of the State in Lushen on July 13, 1937, BdI (Mission in China, folder 34).

<sup>92</sup> Report dated July 31, 1937 (Mission in China, folder 27). Also mentioned in different correspondence and notes, for example in the following personal note dated August 3, 1937.

<sup>93</sup> Summary of the conversation transcript written by de' Stefani's interpreter and dated 17.7.1937, BdI, de' Stefani's archive (Mission in China, folder 30).

<sup>94</sup> Conversation between T.V. Soong and de' Stefani occurred on July 27, 1937, transcript in BdI, de' Stefani's archive (Mission in China, folder 30).

country.<sup>95</sup> After his return to Italy on 23 October 1937, the high commissioner continued his correspondence with the Generalissimo. In a letter urged by one of Chiang's collaborator, de' Stefani explained the delicate political situation in Europe:

The esteem and the benevolence of Y.E. assures me that he is reading my thoughts and that he will trust my impartiality. After Italy's exit from the League of Nations, decided by the Grand Council of Fascism on December 11, European political equilibrium has been changing, due to the directives of many of the states belonging to the League of Nations. To these changed directives in foreign policy, which consist of greater freedom of action of individual European States vis-à-vis the League of Nations, must be added the growing development of the authoritarian regimes, in opposition to parliamentary regimes and the struggle against Communism and capitalism and the accentuation of anti-Semitic politics [...] 1) the victory of the anti-communist national faction in Spain [...] 2) the new orientation of anti-parliamentary, anti-communist and anti-Semitic Romanian policy 3) the growing friendly relations of Yugoslavia with Italy and Germany [...] 4) the initiative of the Netherlands for the recognition of Italian sovereignty over the Ethiopian Empire—which Ireland has already provided [...] 5) the statement by the Swiss Government of its absolute neutrality in relation to the pact of Nations [...] prove clearly, beyond the rapid diffusion of the principles of Fascist and the Nazi domestic policy, the weakening of the League of Nations, as a guarantee for the European and world political equilibrium [...]. England's freedom of action, even in the protection of its non-European interests, is limited [...]. England, on the other hand, cannot count on North American co-operation, given the negative attitude of the United States, which would not be prepared for military naval intervention [...]. This analysis suggests that a direct Franco-Anglo-American political and military intervention in the Far East is unlikely and perhaps even impossible [...]. I have pondered about the developments that this may have on the events in the Far East and I think it is appropriate that any condition of pacification, considered acceptable, should be morally guaranteed in its terms and in its observance by forces outside the conflict and enjoying the confidence of the contending parties [...]<sup>96</sup>

The contents of the letter, in anticipating new and unpredictable political scenarios, imply there was a favourable moment for the authoritarian regimes of Italy and Germany. But de' Stefani, in keeping with the continued signals from Mussolini and Ciano to the entire diplomatic body, maintained an open mind to compromise and held out Italy as a key to future peace negotiations. Ciano himself confirmed this political line a few days later in his diary, in commenting on the situation in China:

15 November 1937—A long conversation with Chen Kung-Po [...] I expounded the following thesis. Japan will overwhelm you militarily and the democracies will not give you any practical assistance. Your only salvation is to be found in direct negotiation through the mediation of Italy and Germany. And the sooner the better. I gathered that the Chinese are relying upon the vast size of their country, but they forget that China's vital points are on the sea or on the rivers and that the Japanese navy can operate unopposed. I have sent a telegram to Chiang Kai-shek setting out my point of view.<sup>97</sup>

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<sup>95</sup> S. Scaroni, *Missione militare aeronautica in Cina* (1970), p. 61.

<sup>96</sup> Letter written by Alberto de' Stefani and sent to Chiang (no date), Bdl, de' Stefani archive, Mission in China, folder 30. Communication was solicited by general Tsiang Pa Lie and delivered by de' Stefani himself to Sih Kwang Sien, when the latter was leaving Italy. About the experience of de' Stefani in China also G. Samarani and L. De Giorgi, *Le relazioni tra Cina ed Italia nel Novecento*, pp. 71-74.

<sup>97</sup> G. Ciano, *Ciano's Diary 1937-1938*, translation by Andreas Mayor, London, Methuen & Co Ltd., 1952, p. 33.

The fact that many letters continued to travel between the two governments through diplomatic channels meant that they were still seeking a way to control the events, before reaching a final political alignment that would lead to opposite alliances. In fact, when these events happened, Italy had already made its decision and signed an alliance with Germany and Japan on 6 November 1937.<sup>98</sup> At the same time, China's political strategy was increasingly wavering, increasingly linked to the system of fragile alliances and international sympathies that Chiang had built, but without any substantive diplomatic or military support from any power. Still, there is the fact that, between the events in Ethiopia and the subsequent warning from the League of Nations to Italy (October 1935), until the recognition of Manchukuo (29 November 1937),<sup>99</sup> the two countries continued seeking a way to collaborate, even outside the border of international rules.

In this context, the documentation of de' Stefani's mission has the historical value of a first hand and chronological testimony. It explains the degree of close co-operation that the representatives of fascist Italy established and maintained with China. The regime was appreciated by the political establishment and, above all, by Chiang, with whom direct dialogue was never lacking. Many of those illustrious personalities who went to China to accomplish a difficult task in an unknown and hostile environment, returned to Italy with little more than the gratitude of the Generalissimo. Another point of interest in de' Stefani's mission was that the minister described in his diaries the personality of Chiang the political man. Through meticulous transcripts of meetings, he presented to Italy the direct testimony of the Generalissimo, a man of humble beginnings and devoted to his military career, one rarely glimpsed in his public appearances.

De' Stefani's archive also preserves a translation of Chiang's book, *The Destiny of China*, dated 1944.<sup>100</sup> It is probably the only Italian copy which presents his thoughts and political ideas. The book was originally published in China in 1943 and later printed in the United States in 1947. Chiang presents the historical and political themes taken from the writings of Sun, including those concerning the national humiliation by the Western Powers. The text, though not original in its political ideas, clearly shows that Chiang regarded himself as the natural guardian and continuer of Sun's vision. Even though he does not attribute to himself the label of political man, as the protégé of Sun, who is called the 'Father of the Homeland', the Generalissimo claims to be endowed with the same invincible will, devoted to the mission of transforming China into an independent, strong and dignified State, to take its place alongside the other great powers.

For Italy, the collected works of de' Stefani form the testimony of a decade (1928–1937) of strong ties, not only political, but also economic and cultural. In an era characterised by unyielding divisions and fierce nationalism, two governments on opposite sides of the world found an opportunity to form a rewarding collaboration.

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<sup>98</sup> *Ivi*, p. 28

<sup>99</sup> *Ivi*, p. 38

<sup>100</sup> Translated by Fausto Tomassini and Kao Shang-chung, BdI, de' Stefani's archive (Mission in China).

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